

## Message Text

CONFIDENTIAL

PAGE 01 MANILA 05811 01 OF 04 170855Z

13

ACTION EA-13

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 INRE-00 SSO-00 L-02 PRS-01 EB-03 H-01

AID-10 CIEP-01 OMB-01 STR-01 TRSE-00 AGR-03 DRC-01

COME-00 SP-01 /071 W

----- 056660

O R 170754Z MAY 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 3543

INFO CINCPAC

C O N F I D E N T I A L SECTION 1 OF 4 MANILA 5811

LIMDIS

E.O. 11652: GDS

TAGS: EGEN, ETRD, RP

SUBJECT: DECREES AND POLICY STATEMENTS RELATING TO EXPIRATION  
OF LAUREL-LANGLEY

1. FOLLOWING ARE TEXTS OF FOUR DOCUMENTS WHICH  
PHILIPPINE GOVERNMENT INTENDS TO ISSUE IN NEAR  
FUTURE, AND WHICH HAVE A DIRECT RELEVANCE TO US  
BUSINESS FIRMS OPERATIVE IN THE PHILIPPINES AFTER  
THE EXPIRATION OF THE LAUREL-LANGLEY AGREEMENT ON  
JULY 3, 1974. THEY ARE (A) PRESIDENTIAL PROCLAMATION  
CONCERNING LAND TITLES ACQUIRED BY US CITIZENS OR  
COMPANIES SINCE 1946; (B) DECREE ON RETAIL TRADE;  
(C) DECREE ON ANTI-DUMMY PROVISIONS; AND (D) DECREE  
ON LEASES OF PRIVATE LAND BY FOREIGNERS. ALSO  
INCLUDED ARE THE TEXTS OF POLICY STATEMENTS WHICH WILL  
BE APPENDED TO THE DECREES ON RETAIL TRADE AND ANTI-  
DUMMY PROVISIONS. THES TEXTS WERE PROVIDED TO US  
IN CONFIDENCE. WE HAVE HAD AN OPPORTUNITY TO COMMENT  
ON THEM, AND, IN SOME MEASURE, TO INFLUENCE THEIR  
CONTENT. THEY ARE TO BE ISSUED AS UNILATERAL STATE-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 05811 01 OF 04 170855Z

MENTS BY THE PHILIPPINES IN RESPECT TO MATTERS IN

WHICH WE HAVE EXPRESSED AN INTERES. AS SUCH, THE EMBASSY WILL NOT TAKE ANY ROLE IN PROMULGATING THEM OR PUBLIC RESPONSIBILITY FOR THEIR CONTENT. IN SUCH MEASURE AS THEY FAIL TO MEET THE TOTALITY OF OUR INTEREST, WE SHALL SEEK REMEDIAL ACTION THROUGH SOME OTHER MEANS.

2. PROCLAMATION ON LAND TITLES: QUOTE THE TRADE AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA OTHERWISE KNOWN AS THE LAUREL-LANGLEY AGREEMENT SHALL TERMINATE ON MIDNIGHT OF JULY 3, 1974. THE CORRESPONDING PARITY ORDINANCE APPENDED TO THE 1935 CONSTITUTION WHICH IS CO-TERMINUS WITH THE EFFECTIVITY OF THE TRADE AGREEMENT SHALL TERMINATE AT THE SAME TIME. FURTHERMORE, THE SAME PROVISION IS INCORPORATED IN THE 1973 CONSTITUTION (ARTICLE XVII, SEC. 11) WHICH STATES THAT QUOTE THE RIGHTS AND PRIVILEGES GRANTED TO CITIZENS OF THE UNITED STATES OR TO CORPORATIONS OR ASSOCIATIONS OWNED OR CONTROLLED BY SUCH CITIZENS UNDER THE ORDINANCE APPENDED TO THE 1935 CONSTITUTION SHALL AUTOMATICALLY TERMINATE ON THE 3RD DAY OF JULY, 1974. TITLES TO PRIVATE LANDS ACQUIRED BY SUCH PERSONS BEFORE SUCH DATE SHALL BE VALID AS AGAINST OTHER PRIVATE PERSONS ONLY. UNQUOTE. PARA IT IS THE POSITION OF THE GOVERNMENT OF THE PHILIPPINES THAT ALL RIGHTS ACQUIRED BY AMERICAN INDIVIDUAL NATIONALS AND CORPORATIONS OR OTHER ENTITIES WITH AMERICAN EQUITY PARTICIPATION BEYOND 40 PERCENT UNDER THE PARITY PROVISION OF THE 1935 CONSTITUTION SHALL TERMINATE AND BE RESOLVED AS OF MIDNIGHT OF JULY 3, 1974. HOWEVER, IT SHALL BE THE POLICY OF THE GOVERNMENT OF THE PHILIPPINES FOR A PERIOD OF ONE YEAR WHICH SHALL EXPIRE ON MAY 17, 1975, TO REFRAIN FROM TAKING ANY ACTION WHICH WOULD ALTER THE PRESENT SITUATION. THIS POLICY SHALL BE APPLIED BOTH TO LANDS WHICH WERE ORIGINALLY ACQUIRED FROM PRIVATE PERSONS AND THOSE WHICH WERE ORIGINALLY ACQUIRED FROM THE PUBLIC DOMAIN. UNQUOTE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MANILA 05811 02 OF 04 170944Z

12

ACTION EA-13

INFO OCT-01 ISO-00 SS-20 NSC-07 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 INRE-00 SSO-00 L-02 PRS-01 DRC-01 EB-03

H-01 AID-10 CIEP-01 OMB-01 STR-01 TRSE-00 AGR-03

COME-00 SP-01 /077 W

----- 057141

O R 170754Z MAY 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 3544

INFO CINCPAC

C O N F I D E N T I A L SECTION 2 OF 4 MANILA 5811

LIMDIS

3. POLICY STATEMENT ON RETAIL TRADE: QUOTE IN GENERAL, RETAIL IS DEFINED AS THE SALE OF A FINAL PRODUCT IN SMALL QUANTITIES TO A FINAL CONSUMER. PROBLEMS HAVE ARISEN IN THE IMPLEMENTATION OF THE RETAIL TRADE FILIPINIZATION LAW (R.A. 1180) SINCE THE DEFINITION ADOPTED IN THIS LAW IS THE TAX DEFINITION OF RETAIL TRADE. SEVERAL COURT CASES HAVE BEEN FILED AND THE LOWER COURTS HAVE VARYING INTERPRETATIONS OF THE SCOPE OF RETAIL TRADE. THE CASES ARE NOW IN THE SUPREME COURT AWAITING RESOLUTION. EVEN IF THE COURTS INTERPRET R.A. 1180 THEY WILL BE HANDICAPPED BY THE ORIGINAL DEFINITION IN LAW. IN ORDER TO SET THE RIGHT DEFINITION I AM ISSUING A DECREE TO ADOPT A NEW DEFINITION OF RETAIL TRADE. THIS FOLLOWS BASICALLY THE INTERNATIONAL DEFINITION YET IT PRESERVES OUR NATIONALISTIC OBJECTIVE OF KEEPING PURELY THE RETAIL TRADE TO FILIPINOS. THIS DECREE WILL NOT ALSO ALTER THE PREVIOUS PRIVILEGE GIVEN TO ALIEN INDIVIDUALS WHO WERE RETAILING IN 1954. AS PROVIDED IN THIS LAW, R.A. 1180, THEY SHALL HAVE THE PRIVILEGE OF ENGAGING IN RETAIL BUSINESS FOR AS LONG AS THEY LIVE. PARA IN VIEW OF THE NECESSITY OF PUTTING PHILIPPINE TRADE PRACTICES ON A SOUND BASIS I HEREBY EXEMPT BULK SALES, SALES BETWEEN ONE INDUSTRY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 05811 02 OF 04 170944Z

TO ANOTHER, INDENT SALES FROM THE PURVIEW OF RETAIL SALES. FURTHERMORE, SALES OF PHARMACIES IN HOSPITALS, RESTAURANT SALES IN HOTELS OR INNS SHALL NOT BE COVERED ALSO BY THE PROVISIONS OF THE RETAIL TRADE LAW. UNQUOTE.

4. DECREE ON RETAIL TRADE: QUOTE. AMENDING REPUBLIC ACT NO. 1180 ENTITLED "AN ACT TO REGULATE THE REATIL BUSINESS" PARA WHEREAS, THE STATUTORY DEFINITION IN REPUBLIC ACT NO. 1180, OTHERWISE KNOWN AS THE RETAIL TRADE NATIONALIZATION LAW, OF THE TERM "RETAIL BUSINESS" WITH RESPECT TO CERTAIN INDUSTRIAL AND

COMMERCIAL ACTIVITIES HAS GIVEN RISE TO CONFLICTING THEORIES AS TO ITS PRECISE SCOPE AND INTENT; PARA WHEREAS, IT IS IN THE INTEREST OF THE NATIONAL ECONOMY

TO EXCLUDE FROM THE PROVISIONS OF THE SAID LAW CERTAIN BUSINESS ACITIVITE; PARA NOW, THEREFORE, I, FERDINAND E. MARCOS, PRESIDENT OF THE PHILIPPINES, BY VIRTUE OF THE POWERS VESTED IN ME BY THE CONSTITUTION, DO HEREBY ORDER AND DECREE: PARA SECTION 1, SECTION 4 OF REPUBLIC ACT NO. 1180 IS HEREBY AMENDED TO READ AS FOLLOWS:

PARA "SECTION 4. AS USED IN THIS ACT, THE TERM "RETAIL BUSINESS" SHALL MEAN ANY ACT, OCCUPATION OR CALLING OF HABITUALLY SELLING DIRECT TO THE GENERAL PUBLIC MERCHANDISE, COMMODITIES OR GOODS FOR CONSUMPTION, BUT SHALL NOT INCLUDE: PARA (A) A MANUFACTURER, PROCESSOR, LABORER, OR WORKER SELLING TO THE GENERAL PUBLIC THE PRODUCTS MANUFACTURED, PROCESSED, OR PRODUCED BY HIM IF HIS CAPITAL DOES NO EXCEED FIVE THOUSAND PESOS. PARA (B) A FARMER OR AGRICULTURIST SELLING THE PRODUCT OF HIS FAR. PARA (C)...BEGIN UNDERLINE... A MAHRFACTURER OR PROCESSOR SELLING TO INDUSTRIAL AND COMMERCIAL USERS OR CONSUMERS WHO USE THE PRODUCTS BOUGHT BY THEM TO RENDER SERVICE TO THE GENERAL PUBLIC AND/OR TO PRODUCE OR MANUFACTURE GOODS WHICH ARE IN TURN SOLD BY THEM. ...END UNDERLINE...PARA (D)...BEGIN UNDERLINE... A HOTEL-OWNER OR KEEPER OPERATING A RESTAURANT,IRRESPECTIVE OF THE AMOUNT OF CAPITAL,PROVIDED THAT THE RESTAURANT IS NECESSARILY INCLUDED IN, OR INCIDENTAL TO, THE HOTEL BUSINESS. ...END UNDERLINE.. PARA (E)... BEGIN UNDERLINE... A HOSPITAL OPERATING A PHARMACY OR DRUGSTORE AS AN INTEGRAL PART OF THE HOSPITAL. ...END UNDERLINE. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 05811 02 OF 04 170944Z

PARA (F) ANY SALE TO THE GOVERNMENT, OR ANY AGENCY, SUBDIVISON, OR INSTRUMENTALITY THEREOF, OR TO ANY GOVERNMENT OWNED OR CONTROLLED CORPORATION." PARA SECTION 2. THIS DECREE SHALL TAKE EFFECT IMMEDIATELY. UNQUOTE.

5. POLICY STATEMENT ON ANTI-DUMMY LAW: QUOTE IN LINE WIM THE PHILIPPINE POLICY TO GIVE FOREIGN INVESTORS FAIR AND EQUITABLE TREATMENT, THE ANTI-DUMMY ACT HAS BEEN AMENDED TO DEFINITELY ESTABLISH THAT THE ACT DOES NOT COVER THE ELECTION OF ALIENS TO THE BOARD OF DIRECTORS OR GOVERNING BODIES OF CORPORATIONS OR ASSOCIATION ENGAGED IN ACTIVITES LIMITED BY THE CONSITUION OR SPECIAL LAWS TO CITIZENS OF THE PHILIPPINES OR TO CORPORATION OR ASSOCIATIONS A MINIMUM AMOUNT OF THE CAPITAL OF WHICH MUST BELONG TO FILIPINO CITIZENS. THIS AMENDMENT SHOULD SET AT REST ALL APPREHENSIONS REGARDING THE POSSIBLE ELECTION OF ALIENS AS MEMBERS OF THE BOARD OF DIRECTORS OF

THESE CORPORATIONS. PARA THE LAW HAS ALSO BEEN AMENDED  
SO AS TO PROVIDE THAT THE EMPLOYMENT OF ALIEN PERSONNEL  
IN ACCORDANCE WITH SPECIAL LAWS, SUCH AS THE INVEST-  
MENT INCENTIVES ACT, WOULD NOT BE IN VIOLATION OF THE  
ANTI-DUMMY ACT. FOREIGN PERSONNEL OF OTHER CORPORA-  
TIONS MAY BE EMPLOYED IN ACCORDANCE WITH THE IMMIGR-  
TION ACT. PARA I WISH TO EMPHASIZE HOWEVER THAT NO  
ATTEMPT SHOULD BE MADE TO PLACE DUMMIES JUST TO  
QUALIFY UNDER THE CONSITUTION/LAWS. ANYBODY CAUGHT  
VIOLATING THE ANTI-DUMMY LAW SHALL BE PUNISHED  
ACCORDINGLY. UNQUOTE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MANILA 05811 03 OF 04 171028Z

13

ACTION EA-13

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 INRE-00 SSO-00 L-02 PRS-01 EB-03 H-01

AID-10 CIEP-01 OMB-01 STR-01 TRSE-00 AGR-03 DRC-01

COME-00 SP-01 /071 W

----- 057659

O R 170754Z MAY 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 3545

INFO CINCPAC

C O N F I D E N T I A L SECTION 3 OF 4 MANILA 5811

LIMDIS

6. DECREE ON ANTI-DUMMY LAW: QUOTE. AMENDING COMMON-  
WEALTH ACT NO. 108, AS AMENDED, OTHERWISE KNONW AS  
"THE ANTI-DUMMY LAW" PARA WHEREAS, THERE HAVE BEEN  
CONFLICTING INTERPRETATIONS AS TO WHETHER SECTION 2-A  
OF COMMONWEALTH ACT NO. 108, AS AMENDED, OTHERWISE  
KNOWN AS THE ANTI-DUMMY LAW, ALLOS ALIENS TO BECOME  
MEMBDDERS OF THE BOARD OF DIRECTORS OR GOVERNING OBODY  
OF CORPORATIONS OR ASSOCIATIONS ENGAGING IN PARTIALLY  
NATIONALIZED ACTIVITIES: PARA WHEREAS, IT IS FAIR  
AND EQUITABLE AND IN LINE WITHE CONSTITUTIONAL  
POLICY EXPRESSED IN ARTICILE XIV, SECTION 5 OF THE  
CONSTITUTION, 59 049;IDE FOR THE REPRESENTATION OF

FOREIGN INVESTORS IN THE GOVERNING BODY OR BOARD OF  
CORPORATIONS OR ASSOCIATIONS IN PROPORTION TO THEIR  
ALLOWABLE PARTICIPATION IN THE EQUITY OF SAID  
ENTITIES: PARA NOW, THEREFORE, I, FERDINAND E.  
MARCOS, PRESIDENT OF THE PHILIPPINES, BY VIRUTE OF  
THE POWERS VESTED IN ME BY THE CONSTITUTION, DO  
HEREEBY ORDER AND DECREE: PARA SECTION 1. SECTION  
2-- OF COMMONWELATH ACT NO. 108, AS AMENDED, IS HEREBY  
FURTHER AMENDED TO READ AS FOLLOWS: PARA INDENT  
"SECTION 2-A, ANY PERSON, CORPORATION, OR ASSOCIATION  
WHICH, HAVING IN ITS NAME OR UNDER ITS CONTROL, A  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 05811 03 OF 04 171028Z

RIGHT, FRANCHISE, PRIVILEGE, PROPERTY OR BUSINESS,  
THE EXERCISE OR ENJOYMENT OF WHICH IS EXPRESSLY  
RESERVED BY THE CONSTITUTION OR THE LAWS TO CITIZENS  
OF THE PHILIPPINES, OR OF ANY OTHER SPECIFIC COUNTRY,  
OR TO CORPORATIONS OR ASSOCIATIONS...BEGIN UNDERLINE...A MINIMUM  
AMOUNT OF THE CAPITAL OF WHICH IS REQUIRED UNDER THE CONSTI-  
TUTION OR THE LAWS TO BE OWNED BY SUCH CITIZENS, ...END UNDERLINE  
...PERMITS OR ALLOWS THE USE, EXPLOITATION OR ENJOYMENT  
THEREOF BY A PERSON, CORPORATION OR ASSOCIATION NOT  
POSSESSING THE REQUISITES PRESCRIBED BY THE CONSTITUTION  
OR THE LAWS OF THE PHILIPPINES; OR LEASES, OR  
IN ANY OTHER WAY TRANSFERS OR CONVEYS SAID RIGHT,  
FRANCHISE, PRIVILEGE, PROPERTY OR BUSINESS TO A  
PERSON, CORPORATION OR ASSOCIATION NOT OTHERWISE  
QUALIFIED UNDER THE CONSTITUTION, OR THE PROVISIONS  
OF THE EXISTING LAWS; OR IN ANY MANNER PERMITS OR  
ALLOWS ANY PERSON, NOT POSSESSING THE QUALIFICATIONS  
REQUIRED BY THE CONSTITUTION, OR EXISTING LAWS TO  
ACQUIRE, USE, EXPLOIT OR ENJOY A RIGHT, FRANCHISE,  
PRIVILEGE, PROPERTY OR BUSINESS, THE EXERCISE  
AND ENJOYMENT OF WHICH ARE EXPRESSLY RESERVED  
BY THE CONSTITUTION OR EXISTING LAWS TO CITIZENS OF  
THE PHILIPPINES...BEGIN UNDERLINE...OR TO THE AFOREMENTIONED  
CORPORATIONS OR ASSOCIATIONS,...END UNDERLINE...TO INTERVENE  
IN THE MANAGEMENT, OPERATION, ADMINISTRATION OR CONTROL THEREOF,  
WHETHER AS AN OFFICER, EMPLOYEE OR LABORER WHEREIN WITH OR  
WITHOUT REMUNERATION, EXCEPT ...BEGIN UNDERLINE...ALIEN PERSONNEL  
WHOSE EMPLOYMENT IS AUTHORIZED BY SPECIAL LAW,...END UNDERLINE  
OR TECHNICAL PERSONNEL WHOSE EMPLOYMENT MAY BE SPECIFICALLY  
AUTHORIZED BY THE ...BEGIN UNDERLINE...SECRETARY OF JUSTICE,...END  
UNDERLINE ...AND ANY PERSON WHO KNOWINGLY AIDS, ASSISTS OR ABETS  
IN THE PLANNING, CONSUMATION OR PERPETRATION OF ANY OF  
THE ACTS HEREIN ABOVE ENUMERATED SHALL BE PUNISHED  
BY IMPRISONMENT FOR NOT LESS THAN FIVE NOR MORE  
THAN FIFTEEN YEARS AND BY A FINE OF NOT LESS THAN  
THE VALUE OF THE RIGHT, FRANCHISE OR PRIVILEGE  
ENJOYED OR ACQUIRED IN VIOLATION OF THE PROVISIONS

HEREOF BUT IN NO CASE LESS THAN FIVE THOUSAND PESOS:  
PROVIDED, HOWEVER, THAT THE PRESIDENT, MANAGERS OR  
PERSONS IN CHARGE OF CORPORATIONS, ASSOCIATIONS OR  
PARTNERSHIPS VIOLATING THE PROVISIONS OF THIS SECTION  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 05811 03 OF 04 171028Z

SHALL BE CRIMINALLY LIABLE IN LIEU THEREOF: PROVIDED,  
FURTHER, THAT ANY PERSON, CORPORATION OR ASSOCIATION  
SHALL, IN ADDITION TO THE PENALTY IMPOSED HEREIN,  
FORFEIT SUCH RIGHT, FRANCHISE, PRIVILEGE, AND THE  
PROPERTY OR BUSINESS ENJOYED OR ACQUIRED IN VIOLATION  
OF THE PROVISIONS OF THIS ACT; ...BEGIN UNDERLINE... AND PROVIDE,  
FINALLY, THAT THE ELECTION OF ALIENS AS MEMBERS OF THE BOARD  
OF DIRECTORS OR THE GOVERNING BODY OF CORPORATIONS  
OR ASSOCIATIONS PRIMARILY ENGAGED IN ACTIVITIES  
RESERVED TO CORPORATIONS OR ASSOCIATIONS WITH A  
REQUIRED MINIMUM PHILIPPINE CAPITAL, NOT IN EXCESS  
OF WHAT WOULD PERTAIN TO THEIR PROPORTIONATE SHARE  
IN THE CAPITAL OF SUCH ENTITIES, SHALL NOT BE COVERED  
BY THIS ACT. ...END UNDERLINE... PARA SECTION 2 THIS DECREE  
SHALL TAKE EFFECT IMMEDIATELY. UNQUOTE.

7. DECREE ON DURATION OF LEASES ON PRIVATE LANDS  
TO ALIENS: QUOTE. FIXING A MAXIMUM PERIOD FOR THE  
DURATION OF LEASES OF PRIVATE LANDS TO ALIENS. PARA  
WHEREAS, THE CONSTITUTION BANS THE ACQUISITION BY  
ALIENS AND ALIEN-OWNED ENTITIES OF PUBLIC AND PRIVATE LANDS;  
PARA WHEREAS, LEASES OF UNREASONABLY LONG  
DURATION WOULD AMOUNT TO A VIRTUAL TRANSFER OF  
OWNERSHIP IN VIOLATION OF THE INTENT OF THE CONSTITUTIONAL PROHIBITION;

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MANILA 05811 04 OF 04 171028Z

11  
ACTION EA-13

INFO OCT-01 ISO-00 SS-14 NSC-07 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 INRE-00 SSO-00 L-02 PRS-01 EB-03 H-01

AID-10 CIEP-01 OMB-01 STR-01 TRSE-00 AGR-03 COME-00

SP-01 DRC-01 /071 W

----- 057631

O R 170754Z MAY 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 3546

INFO CINCPAC

C O N F I D E N T I A L SECTION 4 OF 4 MANILA 5811

LIMDIS

PARA WHEREAS, THERE IS A COMPELLING NEED TO FIX A REASONABLE  
MAXIMUM PERIOD FOR THE DURATION OF LEASES OF PRIVATE LANDS TO  
ALIENS AND TO ENFORCE COMPLIANCE THEREOF BY PUNISHING  
VIOLATIONS; PARA NOW, THEREFORE, I, FERDINAND E. MARCOS,  
PRESIDENT OF THE PHILIPPINES, BY VIRTUE OF  
THE POWERS VESTED IN ME BY THE CONSTITUTION, DO HEREBY  
ORDER AND DECREE: PARA SECTION 1. THE MAXIMUM  
PERIOD ALLOWABLE FOR THE DURATION OF LEASES OF  
PRIVATE LANDS TO ALIENS OR ALIEN-OWNED CORPORATIONS,  
ASSOCIATIONS, OR ENTITIES NOT QUALIFIED TO ACQUIRE  
PRIVATE LANDS IN THE PHILIPPINES SHALL BE TWENTY-  
FIVE YEARS, RENEWABLE FOR ANOTHER PERIOD OF TWENTY-  
FIVE YEARS UPON MUTUAL AGREEMENT OF BOTH LESSOR AND  
LESSEE. PARA SECTION 2. ANY CONTRACT OR AGREEMENT  
MADE OREXECUTED IN VIOLATION OF THIS DECREE SHALL  
BE NULL AND VOID AB INIOFO, AND BOTH PARTIES TO  
THE AGREEMENT SHALL BE PUNISHED BY A FINE OF NOT  
LESS THAN FIVE HUNDRED NOR MORE THAN ONE THOUSAND  
PESOS, OR BY IMPRISONMENT OF FROM SIX MONTHS TO  
ONE YEAR, OR BOTH IN THE DISCRETION OF THE COURT,  
PROVIDED, THAT THE PRESIDENT OR MANAGERS AND  
DIRECTORS OR TRUSTEES OF CORPORATIONS, ASSOCIATIONS  
OR PARTNERSHIPS VIOLATING THIS DECREE SHALL BE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 05811 04 OF 04 171028Z

CRIMINALLY LIABLE IN LIEU THEREOF. PARA SECTION 3.  
THIS DECREE SHALL TAKE EFFECT IMMEDIATELY. UNQUOTE.

8. THE EMBASS WILL DISCUSS THESE DOCUMENTS WITH  
THE AMERICAN BUSINESS COMMUNITY IN THE PHILIPPINES  
AND WILL REPORT THEIR REACTIONS.  
SULLIVAN

CONFIDENTIAL



NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, AGREEMENT DRAFT, TREATY VIOLATION, LAUREL-LANGLEY AGREEMENT, TRADE AGREEMENTS, BUSINESS FIRMS, PROPERTY TITLES, AMENDMENTS, LEASES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 MAY 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MANILA05811  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740122-0631  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740539/aaaabifu.tel  
**Line Count:** 433  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 8  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07-Aug-2002 by worrelsw>; APPROVED <24 FEB 2003 by GarlanWA>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DECREES AND POLICY STATEMENTS RELATING TO EXPIRATION OF LAUREL-LANGLEY  
**TAGS:** EGEN, ETRD, RP, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005